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Montgomery council might go after schools' health care benefits

Andrews, Leventhal say sacrifice should be spread among public employees

by Andrew Ujifusa | Staff Writer

County Council members might target health care benefits as a way to get school system employees to sacrifice financially like county employees.

In a departure from past practice, at least two council members are considering making cuts to the "fixed charges" category of the Montgomery County Public Schools' budget, which includes health care benefits for employees and post-employment benefits.

Councilman Philip M. Andrews (D-Dist. 3) of Gaithersburg, a member of the council's Education Committee, and Councilman George Leventhal (D-At large) of Takoma Park argued that spreading the cost-shifting of health care benefits to all public employees, not just county government employees as County Executive Isiah Leggett (D) has proposed, would be fair given the difficult budget circumstances.

They both said it is similar to the argument over furloughs last year, when county government employees had to take furlough days while school system employees did not.

"This type of calculation has never arisen before," Leventhal said, noting that the debate over whether and how to target fixed charges for significant cuts is complex. The presidents of the Board of Education and county teachers union, meanwhile, said the council would be going too far with such a step.

Although the County Council cannot dictate line-item spending in the school system's budget, it is required under Maryland law to appropriate separate dollar amounts for 12 major state-mandated funding categories. The 12 categories include teacher salaries, textbook and instructional materials costs, special education and transportation.

The fixed charges category accounts for just more than \$547 million in the Board of Education's adopted 2012 budget. The category also includes Social Security and workers compensation expenses.

Andrews and Leventhal said they are unsure how much of the fixed charges category could be targeted for elimination if the idea gains momentum.

The school board has requested a \$2.2 billion budget, with county funding accounting for \$1.5 billion. Leggett countered last month with a budget of just more than \$1.4 billion for

the school system. He did not recommend funding levels for each of the 12 categories, although state law requires him to do so.

The County Council could reduce Leggett's recommended schools budget further. But Andrews said fixed charges could be defunded and produce significant savings without having a direct impact on students and classrooms. Even if the council ended up approving Leggett's school funding level, there would be some momentum to move money around between the categories, he said.

"The increase in health care costs for the average employee should go up the same for county employees and school employees," Andrews said.

Leggett has proposed increasing employee health care contributions for county government employees from 20 percent to 30 percent. Council members, however, have expressed concern about the nature and timing of Leggett's proposal, which would take effect July 1. County employees have argued that the plan is effectively a cut in take-home pay.

The issue of funding categories came up at the Board of Education when it reached an agreement with the county March 28 to request an \$82 million waiver from a state law requiring counties to fund public schools at the same per-pupil level as the previous year in order to qualify for increased state aid. (Leggett's budget is \$82 million below the per-pupil funding level of \$1.5 billion approved by the Board of Education.)

On Monday, Board of Education President Christopher S. Barclay (Dist. 4) of Takoma Park said he hoped that the council would respect the school system's ability to decide what is best for its budget.

The idea that reducing health care benefits for teachers would not hurt students was absurd, argued Doug Prouty, president of the Montgomery County Education Association, the county teachers union. A strong benefits package helped the school system put the best possible teachers in classrooms, he said.

"It's also the council overstepping its bounds and trying to dictate school system policy," Prouty said. "That's not their job."